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MINISTRY OF STEEL, MINES &amp; FUEL

(Department of Iron &amp; Steel)

RESOLUTION

*New Delhi, the 31st October 1958*

**No. SC(A)-2(227)/57.**—In their letter No. 63(3)-TR/58 dated the 15th January 1958, Government of India in the Ministry of Commerce & Industry requested the Tariff Commission to examine the representation of M/s Mysore Iron & Steel Works, Bhadravati, regarding increase in their manufacturing cost of steel and pig iron, in terms of the recommendation contained in para 10.2 of the Tariff Commission's Report (1956) on fair retention prices (ex-works) of steel and pig iron produced by the Mysore Iron & Steel Works, and to make recommendations on the revision of the retention prices payable to them. The Tariff Commission, having conducted its enquiry, has submitted its report. Its main conclusions and recommendations are as follows:

- (i) The average retention prices for steel payable to the Mysore Iron & Steel Works, for the period 1st April 1955 to 31st March 1959 should be increased by Rs. 42/- per ton, on a weighted average basis.
- (ii) The average retention prices for pig iron of all grades payable to the Mysore Iron & Steel Works for the period 1st April 1955 to 31st March 1959 should be increased by Rs. 6/- per ton on a weighted average basis.

2. The Government of India consider that as the increase in excise duty on steel ingots came into effect only from 16th May 1957, it would not be appropriate to allow this element in the retention price for steel for periods prior to this date. It has therefore been decided that the excise duty element should not be spread over for the four year period, i.e. 1st April 1955 to 31st March 1959, as proposed by the Tariff Commission, but adjusted on the basis of the actuals.

The Tariff Commission have in recommending an increase of Rs. 42/- per ton on a weighted average basis, provided for the increase in interest charges levied by the Government of Mysore on sums advanced to the Works. The Government of India consider that this increase need not be allowed.

3. The average increase in the retention price, payable to the Mysore Iron & Steel Works, on the basis of the Tariff Commission's recommendations, for all categories of steel taken together, works out to Rs. 20/- per ton on a weighted average basis, after deleting the increase on account of the higher rate of interest charged by the Mysore Government on working capital and excluding the excise duty element. As regards the increase in the retention prices of pig iron recommended by the Tariff Commission, since the cost does not include the element of excise duty, which is levied only on steel ingots, the increase in the retention prices payable to the Company, after excluding the increase resulting from the higher interest rate, will be Rs. 5/- per ton.

## 4. The Government of India have accordingly decided that:

- (i) The average retention price payable to the Mysore Iron & Steel Works for the period from 1st April 1955 to 31st March 1959 and for all categories of steel taken together as per Ministry of Commerce & Industry Resolution No. IS(A)-2(161)/56 dated 16th July 1956 should be increased by Rs. 20/- per ton, on a weighted average basis.
- (ii) Adjustments in regard to the increased excise duty on steel ingots levied from 16th May 1957 will, however, be made only on despatches of steel after that date. On the basis of the incidence of the additional excise duty on finished steel, the adjustment from 16th May 1957 will be at the rate of Rs. 42.85/- per ton.
- (iii) The retention prices payable for all grades of pig iron produced by the Mysore Iron & Steel Works should be increased by Rs. 5/- per ton for the period from 1st April 1955 to 31st March 1959.
- (iv) As the effect of the increase is not sufficient to warrant any revision on the grade differentials, the differentials in the prices of pig iron of various grades should be maintained at the same level as those recommended by the Tariff Commission in their Report (1956). The fair retention prices of various grades of pig iron produced by the Mysore Iron & Steel Works will be as given below:

*Standard Grades—High Manganese*

Grade	Analysis				Fair retention prices from 1-4-55 to 31-3-59
	Silicon per cent	Manganese per cent	Phosphorus per cent	Sulphur per cent	
1	2	3	4	5	6
					Rs.
Standard foundry	1. 2.75 to 3.25	1.00 to 1.50	Under 0.40	Under 0.035	200
	2. 2.25 to 2.75	"	"	Under 0.050	193
	3. 1.75 to 2.25	"	"	"	186
	4. 1.50 to 1.75	"	"	"	182.5
Special	4x 1.25 to 1.50	"	Under 0.35	"	179
Special basic	1.00 to 1.25	"	"	"	175.5
Standard basic	1.00 and under	"	"	"	172
Low Manganese foundry	1. 2.75 to 3.25	0.50 to 1.00	Under 0.40	Under 0.035	197
	2. 2.25 to 2.75	"	"	Under 0.050	190
	3. 1.75 to 2.25	"	"	"	183
	4. 1.50 to 1.75	"	"	"	179.5
Special	4x 1.25 to 1.50	"	Under 0.35	"	176
Low Manganese basic special	1.00 to 1.25	"	"	"	172.5
Low Manganese basic	1.00 and under	"	"	"	169

**ORDER**

Ordered that a copy of this Resolution be communicated to all concerned and that it be published in the Gazette of India Extraordinary.

S. BHOOHALINGAM, Secy.